



Office of Trust Funds

780 Regent Street, Suite 305
Madison, Wisconsin 53715
Phone: (608) 265-0857 or (608) 262-7480
website: <http://www.uwsa.edu/tfunds>

To: Interested Campus Stakeholders

From: Doug Hoerr, Director and Assistant Trust Officer
UW System Administration – Office of Trust Funds

Date: July 23, 2018

Re: **UW System Trust Funds – Quarter End Processes, Timelines and Requirements for Investment Transfers**

This is a follow-up to our March 22, 2018 memo, which discussed the transition of investment management responsibility for the UW System Trust Funds to the State of Wisconsin Investment Board (SWIB), effective April 1, 2018. As noted in the March 22 memo, as part of that transition, the Intermediate Term Fund was eliminated as an investment option. The memo further stated the following:

Post-Transition

After the transition, there will be only two investment options for Trust Funds assets: the 161-Income Cash Fund and the 162-Long Term Fund. **As of March 31, 2018, all investments/holdings you may have in the Intermediate Term Fund will be automatically liquidated and transferred to the Income Cash Fund. If you have directed that any new gifts or accounts be invested in the Intermediate Term Fund, they will instead be invested in the Income Cash Fund.** Subsequent to this transfer, Trust Funds account/project holders will be able to invest fully expendable monies in the Long Term Fund, in part or in whole, if a longer-term orientation is appropriate.

Requests to transfer monies to the Long Term Fund should be communicated to the Office of Trust Funds, which will consult and advise as appropriate.

This memo more explicitly describes how departments/units are to initiate such investment transfers, i.e., transfers from the Income Cash Fund to the Long Term Fund, or from Long Term to Income Cash.

First, please note that UWS Trust Funds updates the market value of the Long Term Fund only as of the end of each calendar quarter. Accordingly, this is also when transactions for the Fund are processed – i.e., new contributions, withdrawals, and fee/expense assessments. The determination of these quarter-end figures, the related accounting allocations and journal entries, and the actual movement of invested dollars normally take place within ten business days following each quarter-end close.

To affect investment transfers between the Income Cash Fund and the Long Term Fund, the following steps should be followed:

1. **If desired, consult with the Office of Trust Funds, who can advise on investment-related questions, the investment parameters of the Long Term and Income Cash Funds, and the appropriateness of various Fund allocations. Contact the Director and/or Senior Accountant at the Office of Trust Funds (see website, <https://www.wisconsin.edu/trust-funds/>).**
2. **Submit requests for investment transfers to the Office of Trust Funds in writing, no later than five business days before quarter-end for the transfer to occur at that quarter-end. Requests received after that deadline will not be processed until the subsequent quarter-end.**



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- 3. Written requests for investment transfers should be in the form of a memo, approved and signed by the Department Head (or for UW-Madison, the Divisional Financial Leader) or higher level. These requests should be sent or emailed to the Director and/or Senior Accountant at the Office of Trust Funds (see website, <https://www.wisconsin.edu/trust-funds/>).**

Finally, please note the following when contemplating transfers for the various classifications of Trust Funds accounts/projects:

- There are no restrictions as to the investment of, or investment transfers for, fully “Expendable” accounts.
- For “Endowment” or “Designated Endowment” accounts, the Long Term Fund portion (the endowment principal or corpus) may never be withdrawn or transferred.
- For “Endowment” or “Designated Endowment” accounts, the Income Cash Fund portion represents the spending distributions made from the Long Term Fund on a regular basis. While a department/unit may decide to transfer (or reinvest) Income Cash Fund monies back to the Long Term Fund, these monies will then become a permanent part of the principal/corpus and can never be withdrawn or transferred thereafter.